

**[COMMITTEE PRINT]**

OCTOBER 24, 2005

1 **TITLE II—COMMITTEE ON EDU-**  
2 **CATION AND THE WORK-**  
3 **FORCE**

4 **Subtitle D—Family Education**  
5 **Reimbursement**

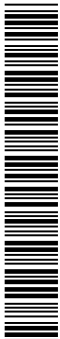
6 **SEC. 2301. SHORT TITLE.**

7 This Act may be cited as the “Family Education Re-  
8 imbursement Act of 2005”.

9 **SEC. 2302. FAMILY EDUCATION REIMBURSEMENT AC-**  
10 **COUNTS.**

11 (a) ESTABLISHMENT.—The Secretary of Education,  
12 in consultation with the Secretary of Health and Human  
13 Services, shall—

14 (1) establish a Family Education Reimburse-  
15 ment Account Program under which, at the direction  
16 of the parent of each displaced student who signs up  
17 under subsection (d), the Secretary provides reim-  
18 bursement to enable the student or preschool-age  
19 child to attend the school or preschool program of  
20 his or her parent’s choice during the 2005–2006  
21 school year;



1           (2) of the amount available to carry out this  
2           section for fiscal year 2006, use not more than one  
3           third of one percent of such amount for administra-  
4           tive expenses, including outreach, support services,  
5           and dissemination of information; and

6           (3) contract with a nongovernmental entity to  
7           administer and operate the program.

8           (b) REIMBURSEMENT.—

9           (1) IN GENERAL.—In carrying out this section,  
10          the Secretary—

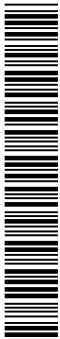
11           (A) shall allow the parent of the partici-  
12           pating displaced student to select the school or  
13           preschool program to be attended by the stu-  
14           dent during the 2005–2006 school year;

15           (B) at the direction of the parent, shall  
16           provide reimbursement to that school or pre-  
17           school program on a quarterly basis; and

18           (C) in the case of a public school, may pro-  
19           vide such reimbursement to the appropriate  
20           local fiscal agent for the school.

21           (2) AMOUNT.—In providing reimbursement  
22          under paragraph (1), the Secretary shall—

23           (A) determine the amount of reimburse-  
24           ment to a school or preschool program based on  
25           the number of weeks during which the partici-



1           pating displaced student attended the school or  
2           preschool program during the preceding quar-  
3           ter;

4           (B) subject to subparagraph (C), provide  
5           the same amount of reimbursement to each  
6           school and preschool program for each week of  
7           attendance by one participating displaced stu-  
8           dent;

9           (C) not provide reimbursement that ex-  
10          ceeds the actual cost of the school for educating  
11          students, or the actual cost of the preschool  
12          program, for the same period for students or  
13          children who are not displaced students;

14          (D) not provide reimbursement of more  
15          than \$6,700 on behalf of any displaced student  
16          for the 2005–2006 school year; and

17          (E) discontinue reimbursement once a dis-  
18          placed student returns to the school or pre-  
19          school program he or she attended prior to Au-  
20          gust 29, 2005.

21          (3) USE OF FUNDS.—The Secretary may pro-  
22          vide reimbursement under paragraph (1) on behalf  
23          of a displaced student only if the school or preschool  
24          program involved agrees—



1 (A) to use the reimbursement for providing  
2 educational and other services;

3 (B) not to use the reimbursement for the  
4 construction or renovation of facilities;

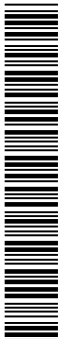
5 (C) not to accept Federal funds provided  
6 under the Child Care and Development Block  
7 Grant Act of 1990 (42 U.S.C. 9858 et seq.),  
8 under the Head Start Act (42 U.S.C. 9831 et  
9 seq.), or through any State program funded  
10 under part A of title IV of the Social Security  
11 Act (42 U.S.C. 601 et seq.), for any expenses  
12 reimbursed under paragraph (1) with respect to  
13 such displaced student; and

14 (D) not to displace a child already enrolled  
15 in the school or preschool program in order to  
16 accommodate a displaced student or preschool  
17 child seeking enrollment pursuant to this sec-  
18 tion.

19 (c) ACCOUNTING OF FUNDS.—The Secretary shall  
20 provide an appropriate accounting of funds for each school  
21 or program that receives a payment on behalf of one or  
22 more participating displaced students under this section.

23 (d) REGISTRATION.—

24 (1) IN GENERAL.—To seek to participate in the  
25 program under this section, the parent of a dis-



1 placed student shall sign up by means of the Inter-  
2 net site, toll-free telephone number, or paper form  
3 developed under subsection (e).

4 (2) ACCOUNT NUMBERS.—Upon completion of  
5 registration for the program under this section—

6 (A) the displaced student shall be assigned  
7 an account number; and

8 (B) the account number shall be made  
9 available to the parent of the student.

10 (3) FAMILIES.—If a parent has more than one  
11 child who is a displaced student—

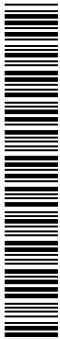
12 (A) the parent shall be allowed to register  
13 each child under this subsection at the same  
14 time; and

15 (B) the same account number under para-  
16 graph (2) shall be provided to each child.

17 (e) FERA SYSTEM DEVELOPMENT AND ESTABLISH-  
18 MENT.—

19 (1) IN GENERAL.—The Secretary shall develop  
20 and implement a web-based system—

21 (A) to support the registration in the pro-  
22 gram under this section of displaced students  
23 by means of an Internet site, toll-free telephone  
24 number, or paper form; and



1 (B) to facilitate the timely payment of  
2 funds from the accounts of families partici-  
3 pating in the program under this section to the  
4 school or preschool program authorized to be  
5 reimbursed for educational and other services  
6 rendered.

7 (2) SYSTEM REQUIREMENTS.—

8 (A) INTERNET SITE; TOLL-FREE TELE-  
9 PHONE NUMBER; PAPER FORM.—The Internet  
10 site and toll-free telephone number developed  
11 pursuant to paragraph (1)—

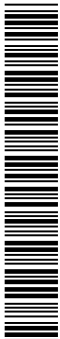
12 (i) shall be integrated with each other;

13 (ii) shall, with respect to the toll-free  
14 telephone number, not be fully automated;

15 (iii) shall be operational not later than  
16 2 weeks after the date of the enactment of  
17 this section;

18 (iv) shall include privacy controls, con-  
19 sistent with section 444 of the General  
20 Education Provisions Act (20 U.S.C.  
21 1232g);

22 (v) shall be accessible to participating  
23 displaced students and their parents for  
24 the purpose of determining—



1 (I) the amount expended under  
2 this section on the student's behalf to  
3 date; and

4 (II) the amount remaining for  
5 expenditure under this section on the  
6 student's behalf;

7 (vi) shall be accessible to schools and  
8 preschool programs for the purpose of fa-  
9 cilitating reimbursement under subsection  
10 (b);

11 (vii) shall support non-English speak-  
12 ing parents by providing information and  
13 registration in an understandable and uni-  
14 form format and, to the extent practicable,  
15 in a language the parents can understand;

16 (viii) may use existing Federal grant  
17 management and electronic payment sys-  
18 tems;

19 (ix) shall include information tech-  
20 nology and other controls necessary to pre-  
21 vent fraud and overpayment, including  
22 mechanisms to validate family and school  
23 information; and

24 (x) shall provide technical support  
25 services (including support for registration



1 and processing of accounts) to the families  
2 of participating displaced students and the  
3 schools and preschool programs in which  
4 the students are enrolled.

5 (B) PAYMENT SYSTEM.—The Secretary  
6 shall ensure that—

7 (i) the payment system required to  
8 carry out this section is operational not  
9 later than 4 weeks after the date of the en-  
10 actment of this section; and

11 (ii) the first disbursements under this  
12 section are made not later than 5 weeks  
13 after the date of the enactment of this sec-  
14 tion.

15 (3) CONTRACTOR REQUIREMENTS.—The Sec-  
16 retary shall award the contract required by sub-  
17 section (a)(3) to a nongovernmental entity that—

18 (A) has experience meeting the require-  
19 ments described in paragraph (2)(A);

20 (B) demonstrates expertise in the develop-  
21 ment and operation of information technology  
22 infrastructures, including the supply and inte-  
23 gration of hardware and software, information  
24 management, electronic fund transfer payment





1 systems, and customer relations management  
2 and outreach;

3 (C) demonstrates significant experience in  
4 the development, implementation, and technical  
5 support for payment management systems oper-  
6 ated by agencies within the Federal Govern-  
7 ment, including the Department of Education  
8 and the Department of Health and Human  
9 Services;

10 (D) demonstrates exemplary past perform-  
11 ance in the areas of cost, schedule, and overall  
12 performance;

13 (E) supports small business utilization  
14 goals; and

15 (F) is based, and operates help desk serv-  
16 ices, in the United States.

17 (f) TRANSFERRING STUDENTS.—

18 (1) IN GENERAL.—Subject to paragraph (2),  
19 the Secretary shall continue to provide reimburse-  
20 ment under this section on behalf of a participating  
21 displaced student who transfers to one or more  
22 schools or preschool programs during the 2005–  
23 2006 school year.

24 (2) EXCEPTION.—The Secretary shall not pro-  
25 vide reimbursement under this section on behalf of



1 a participating displaced student with respect to any  
2 school or preschool program which the student at-  
3 tends for less than 2 consecutive weeks during the  
4 2005–2006 school year.

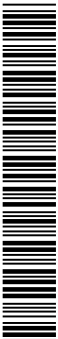
5 (g) ADDITIONAL AMOUNT FOR ADMINISTRATIVE EX-  
6 PENSES.—In providing reimbursement to an entity under  
7 this section—

8 (1) the Secretary shall include an additional  
9 amount equal to 1 percent of the total amount of  
10 such reimbursement to the entity for the purpose of  
11 defraying administrative expenses;

12 (2) such additional amount shall not be counted  
13 for purposes of the maximum reimbursement  
14 amount specified in subsections (b)(2)(C) and  
15 (b)(2)(D); and

16 (3) of the amount specified in subsections  
17 (b)(2)(C) and (b)(2)(D), 100 percent of such  
18 amount shall be made available to the school or pre-  
19 school program.

20 (h) PROCUREMENT.—For purposes of the contract  
21 required by subsection (a)(3), the Secretary shall utilize  
22 expedited procurement procedures, including obtaining  
23 services in accordance with the General Services Adminis-  
24 tration multiple awards schedule contracts and section 8.4  
25 of the Federal Acquisition Regulation for the procurement



1 of all services, and the following provisions of Federal ac-  
2 quisition law shall not apply:

3 (1) Title III of the Federal Property and Ad-  
4 ministrative Services Act of 1949 (41 U.S.C. 251 et  
5 seq.).

6 (2) The Office of Federal Procurement Policy  
7 Act (41 U.S.C. 403 et seq.).

8 (3) The Federal Acquisition Streamlining Act  
9 of 1994 (Public Law 103–355).

10 (4) The Competition in Contracting Act.

11 (5) Subchapter V of chapter 35 of title 31, re-  
12 lating to the procurement protest system.

13 (6) Regulations contained in the Office of Man-  
14 agement and Budget Circular A–130.

15 (i) AUDIT.—The Secretary may provide reimburse-  
16 ment under this section to a school or program on behalf  
17 of a displaced student only if the school or program agrees  
18 to allow the Secretary to conduct an audit to review and  
19 verify that the school or program is using the reimburse-  
20 ment in accordance with subsection (b)(3).

21 (j) NONDISCRIMINATION.—

22 (1) IN GENERAL.—The Secretary may provide  
23 reimbursement under this section to a school or pre-  
24 school program only if the school or program agrees  
25 not to discriminate against participating displaced



1 students (including applicants) on the basis of race,  
2 color, national origin, religion, or sex.

3 (2) APPLICABILITY AND SINGLE SEX SCHOOLS,  
4 CLASSES, OR ACTIVITIES.—

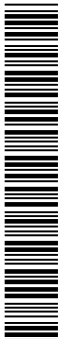
5 (A) IN GENERAL.—Notwithstanding any  
6 other provision of law, the prohibition of sex  
7 discrimination in paragraph (1) shall not apply  
8 to a school or preschool program that is oper-  
9 ated by, supervised by, controlled by, or con-  
10 nected to a religious organization to the extent  
11 that the application of paragraph (1) is incon-  
12 sistent with the religious tenets or beliefs of the  
13 school or program.

14 (B) SINGLE SEX SCHOOLS, CLASSES, OR  
15 ACTIVITIES.—Notwithstanding paragraph (1) or  
16 any other provision of law, a parent may choose  
17 and a school may offer a single sex school,  
18 class, or activity.

19 (3) CHILDREN WITH DISABILITIES.—Nothing  
20 in this section may be construed to alter or modify  
21 the provisions of the Individuals with Disabilities  
22 Education Act.

23 (4) RELIGIOUSLY AFFILIATED SCHOOLS.—

24 (A) IN GENERAL.—Notwithstanding any  
25 other provision of law, a school or preschool



1 program receiving reimbursement under this  
2 section that is operated by, supervised by, con-  
3 trolled by, or connected to, a religious organiza-  
4 tion may exercise its right in matters of em-  
5 ployment consistent with title VII of the Civil  
6 Rights Act of 1964 (42 U.S.C. 2000e-1 et  
7 seq.), including the exemptions in such title.

8 (B) MAINTENANCE OF PURPOSE.—Not-  
9 withstanding any other provision of law, funds  
10 made available under this section on behalf of  
11 participating displaced students that are re-  
12 ceived by a school or preschool program, as a  
13 result of their parents' choice, shall not, con-  
14 sistent with the first amendment of the United  
15 States Constitution, necessitate any change in  
16 the school or program's teaching mission, re-  
17 quire any school or program to remove religious  
18 art, icons, scriptures, or other symbols, or pre-  
19 clude any school or program from retaining reli-  
20 gious terms in its name, selecting its board  
21 members on a religious basis, or including reli-  
22 gious references in its mission statements and  
23 other chartering or governing documents.

24 (5) RULE OF CONSTRUCTION.—Reimbursement  
25 (or any other form of support provided on behalf of



1 participating displaced students) under this section  
2 shall be considered assistance to the student and  
3 shall not be considered assistance to the school or  
4 preschool program that enrolls the student.

5 (k) REPORTS.—At the end of each quarter described  
6 in subsection (b)(2)(A), the Secretary shall submit a re-  
7 port to the appropriate committees of the Congress de-  
8 scribing the implementation and results of the program  
9 under this section. Such report shall—

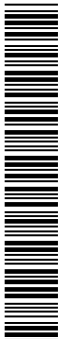
10 (1) specify the number of children served, the  
11 percentage of funds used on instructional activities,  
12 and the percentage of funds used for supplemental  
13 educational services; and

14 (2) include information on the mobility of dis-  
15 placed students.

16 (l) DEFINITIONS.—In this section:

17 (1) The term “displaced student” means a stu-  
18 dent who is at least 4 years old, has not completed  
19 12th grade, and would have attended another school  
20 or preschool program during the 2005–2006 school  
21 year, but for the fact that—

22 (A) the school, the program, or the sur-  
23 rounding area was damaged by a Gulf hurri-  
24 cane disaster; or



1 (B) the school or program could not re-  
2 open shortly after the disaster because of dam-  
3 age caused by the disaster.

4 (2) The term “Gulf hurricane disaster” means  
5 a major disaster that was declared to exist by the  
6 President, in accordance with section 401 of the  
7 Robert T. Stafford Disaster Relief and Emergency  
8 Assistance Act (42 U.S.C. 5170), and was caused by  
9 Hurricane Katrina or Hurricane Rita.

10 (3) The term “parent” has the meaning given  
11 to that term in section 9101 of the Elementary and  
12 Secondary Education Act of 1965 (20 U.S.C. 7801).

13 (4) The term “participating displaced student”  
14 means a displaced student participating in the pro-  
15 gram under this section.

16 (5) The term “preschool program” means a  
17 public or private child care or early education pro-  
18 gram serving 4 or 5 year old children, including any  
19 such Head Start program or public or private pre-  
20 kindergarten program, that is in compliance with ap-  
21 plicable State health and safety requirements.

22 (6) The term “school” means a public or pri-  
23 vate elementary school or secondary school (as those  
24 terms are defined in section 9101 of the Elementary  
25 and Secondary Education Act of 1965 (20 U.S.C.



1       7801)), including a religious elementary school or  
2       secondary school, that was legally operating in the  
3       State involved before September 1, 2005.

4           (7) The term “Secretary” means the Secretary  
5       of Education, in consultation with the Secretary of  
6       Health and Human Services.

7       (m) FUNDING.—

8           (1) IN GENERAL.—Out of funds not otherwise  
9       appropriated, there is hereby appropriated to the  
10      Secretary of Education, to carry out this section,  
11      \$2,500,000,000, to remain available through the pe-  
12      riod ending on July 31, 2006. Any such funds that  
13      are not obligated by the end of such period shall re-  
14      vert to the Treasury.

15          (2) CONTRIBUTIONS.—Under such terms and  
16      conditions as the Secretary may impose, the Sec-  
17      retary may, for the purpose of carrying out this sec-  
18      tion, accept and use such amounts as may be con-  
19      tributed by individuals, business concerns, or other  
20      entities for such purpose.

